GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:289
ANSWERED ON:02.08.2002
OPERATIONAL FREEDOM TO STATE COOPERATIVES
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Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry is all set to grant operational freedom to large multi State cooperatives by allowing them to incorporate themselves as reported in the Hindustan Times dated July 3, 2002 under caption `Large Co-ops may be corporatised`;

(b) if so, whether cooperatives are likely to get financial and functional autonomy to enable them to compete with multi-national corporates;

(c) if so, the details thereof;

(d) the details of guidelines likely to be issued or plan chalked out by the Government for cooperatives in this regard; and

(e) the time by which this decision is likely to be taken by the Government in the interest of cooperatives?

Answer

MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a) to (c): The Companies (Second Amendment) Bill, 2001,which was introduced in the Lok Sabha on 31st August, 2001, provides for incorporation of cooperatives as `producer companies` and for conversion of existing cooperatives into `producer companies` on a voluntary basis. Cooperatives, when formed as or converted to companies will have more or less the same autonomy as a company incorporated in the Companies Act, 1956.

(d) and (e): The Bill was referred to Department related Standing Committee on Home Affairs. The Committee presented its report to the Lok Sabha on 14.5.2002. The Bill is under consideration of Parliament.